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Prosecutors to Rest Case in Trial of Ronald Rewald

By Charles Memminger
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The government was expected to rest its case against Ronald Rewald today after more than seven weeks of trial in federal court.

Rewald, charged with fraud, perjury and tax evasion, was limited yesterday in which witnesses his attorneys will be able to call to the stand.

U.S. Judge Harold Fong told federal Public Defender Michael Levine that he would not be able to recall Sunlin Wong, former president of Bishop, Baldwin, Rewald, Dillingham & Wong.

Levine said he wanted to use Wong to impeach testimony he expected to hear from two CIA witnesses concerning Bishop, Baldwin's India office. Those CIA witnesses are Jack Rardin, former chief of the Honolulu CIA field office, and Charles Richardson, a CIA agent who used one of Rewald's companies for cover in 1979.

Assistant U.S. Attorney John Peyton argued that Levine was just speculating what Rardin and Richardson would testify to and was further speculating that Wong would be able to impeach them.

He said Rardin and Richardson will not sway from the government's stand in the trial: that there was no CIA involvement in the India office or any other Bishop, Baldwin offices around the world.

CIA WITNESSES so far have said that Rewald only provided light cover for a handful of agents and was paid less than \$3,000 to cover telephone and telex expenses.

Rewald, however, claims that the CIA set up and ran his company and that he operated a number of CIA projects using investors' money. His defense against the fraud charges is that he thought the CIA would cover any company expenses.

Some 400 investors put \$22 million into Rewald's company.

Levine will call fewer than 30 witnesses in an attempt to prove that the CIA connection to Rewald was more substantial than the government claims. Rewald also is expected to take the stand.

But Judge Fong said Wong does not have to come back to trial after testifying for two days during the trial's outset. Wong now is serving a two-year prison term after pleading guilty to mail and securities fraud.

FONG ALSO SAID that California attorney David Day would not have to return to testify as a defense witness.

Levine wanted to question Day about his research on Philippines banker Enrique Zobel. Day wrote a nine-page memorandum for Rewald about Zobel. The defense claims that is part of the CIA's effort to shelter money in the United States for wealthy foreigners.

Peyton said Day wrote the report on his own, not at Rewald's direction.